

REPEAL IN ITS ENTIRETY

~~[R277. Education, Administration.~~

~~R277-118. LEA Post-employment Benefits Plans.~~

~~R277-118-1. Definitions.~~

~~——— A. “Board” means the Utah State Board of Education.~~

~~——— B. “GASB Statement 43” (or successor rule) means a Statement of the Governmental Accounting and Standards Boards that establishes uniform standards of financial reporting by state and local governmental entities for OPEB plans. This Statement provides standards for measurement, recognition, and display of the assets, liabilities, and, where applicable, net assets and changes in net assets of such funds and for related disclosures. GASB Statement 43 applies to financial reports of all state and local governmental entities, including public employee retirement systems.~~

~~——— C. “LEA” means a local education agency, including local school boards/public school districts, charter schools, and for purposes of this rule, the Utah Schools for the Deaf and the Blind.~~

~~——— D. “Other post-employment benefits (OPEB)” means benefits after retirement, other than pension benefits, provided over an extended period of time and may include:~~

~~——— (1) healthcare;~~

~~——— (2) dental care; and~~

~~——— (3) life insurance.~~

~~——— E. “Other post-employment benefits plan (OPEB plan)” means a plan approved by an LEA that provides post-employment benefits as identified in R277-118D to employees.~~

~~——— F. “Qualified actuary” means a statistician who determines the present effects of future contingent events; especially one who calculates insurance and pension rates on the basis of empirically based tables. An actuary shall have appropriate credentials or experience or both.~~

~~——— G. “Termination benefit plan” means benefit(s) (such as cash payments, health insurance supplements or bridge payments or sick leave payouts) offered to an employee as incentive(s) to retire or sever employment from an LEA voluntarily.~~

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~~H. "Trust or a set aside fund balance," for purposes of this rule, means a legal trust established consistent with requirements of state law or a designation of a portion of the LEA's maintenance and operations (M and O) fund balances. Either a trust or an LEA designation of fund balance liability would be dedicated to supporting an LEA's outstanding post-employment benefits.~~

~~R277-118-2. Authority and Purpose.~~

~~A. This rule is authorized under Utah Constitution Article X, Section 3 which vests general control and supervision over public education in the Board, Section 53A-1-401(3) which allows the Board to adopt rules in accordance with its responsibilities, and Section 53A-17a-125 which appropriates funds to the Board to distribute to LEAs for employee retirement and social security payments.~~

~~B. The purpose of this rule is to direct LEAs not to add new employee benefits, not to lengthen existing employee benefits and not to offer employee benefit plans to new employees unless LEAs maintain adequate ongoing assets to fund the plans. The rule provides required timelines for meeting the provisions of this rule.~~

~~R277-118-3. Other Post-employment Benefit Plans; Exceptions; Funding of Liability; Compliance.~~

~~A. LEAs shall not add enhanced benefits nor extend time periods for benefits to employees currently enrolled in and not enroll new members in post-retirement benefit plans.~~

~~B. Exceptions to R277-118-3A~~

~~(1) If an LEA has and desires to continue an outstanding OPEB liability for post-employment benefit plans, the LEA shall comply with GASB Statement 43, Paragraph 24 in the LEA's computation of its liability by a qualified actuary.~~

~~(2) If an LEA has an existing OPEB plan and the plan is fully funded consistent with the provisions of GASB Statement 43, an LEA may make the plan open to new employees so long as it remains fully funded.~~

~~(3) If an LEA's OPEB plan becomes less than fully funded at any time and the~~

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61 LEA has not provided the documentation for an exception under R277-118-B(2), the
62 OPEB plan shall be closed to eligibility to new employees and shall lose its USOE
63 approved status.

64 ——— C. Funding of liability - If an LEA has an OPEB plan:

65 ——— (1) the LEA must compute an annual required contribution (ARC) as provided
66 in GASB Statement 43;

67 ——— (2) the LEA shall contribute annually the amount of the ARC in a trust account
68 or annually set aside as a designated fund balance the equivalent amount of the
69 ARC; and

70 ——— (3) have a plan consistent with the timeline of GASB Statement 43, Paragraph
71 24, to ensure compliance with this rule.

72 ——— D. Compliance

73 ——— (1) LEAs with OPEB plans shall comply with all outlined GASB Statement 43
74 financial reporting requirements.

75 ——— (2) If, due to adverse economic conditions, an LEA fails to meet the ARC
76 requirement, the LEA shall provide to the Board a reasonable funding plan to bring
77 the LEA into compliance with the actuarial timeline required in GASB Statement 43
78 by the end of the second year following the year of inadequate funding.

79 **~~R277-118-4. Termination Benefits:~~**

80 ——— An LEA may offer retirement or severance benefits in addition to
81 retirement/severance benefits currently in place for one year only if the LEA has
82 adequate funds to fully pay out the benefits in the fiscal year in which the benefits
83 are budgeted.

84 **KEY: post-retirement benefits**

85 **~~Date of Enactment or Last Substantive Amendment: June 9, 2014~~**

86 **~~Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53A-1-401(3);~~**
87 **~~53A-17a-125]~~**